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SUBJECT: SEOUL - PRESS BULLETIN; March 5, 2009

#### TOP HEADLINES

Chosun Ilbo  
5,000 Patents! Seoul Semiconductor Aims to Brighten Future  
- Part 1 of a Series of Articles on Korean Companies  
with World-class Technologies

JoongAng Ilbo  
"Job Sharing" Spreads from Public to Private Sector

Dong-a Ilbo  
Maternity Leave Being Exploited to Reduce Staff

Hankook Ilbo, All TVs, VoiceofPeople  
Parties Tentatively Agree to Vote on KORUS FTA in April

Hankyoreh Shinmun  
The World Gripped by "Deflation Fears"

Segye Ilbo  
ROK Economy May Contract 8 Percent in First Quarter

Seoul Shinmun  
"Loopholes" in Protecting Seoul City  
Administrative Network from Hacking Attacks

#### DOMESTIC DEVELOPMENTS

1. President Lee Myung-bak, in a March 4 interview with The Australian, an Australian newspaper, said that North Korea might enjoy short-term benefits from escalating tension by preparing for a suspected missile launch but that such a provocation would play against the North in the long run. President Lee was further quoted as saying: "I think it is better to have a stabilized North Korean regime at this point in time for inter-Korean dialogue and cooperation." (All)

2. Unification Minister Hyun In-taek, in his first press meeting yesterday since taking office, called for Pyongyang to resume dialogue and to stop criticism toward the ROKG and President Lee Myung-bak. (JoongAng, Dong-a, Hankook)

3. New ROK Ambassador to the U.S. Han Duck-soo, in a March 4 press conference ahead of his March 9 departure for Washington, said that the ROK should first ratify the KORUS FTA, regardless of U.S. moves. (Hankook, Seoul, KBS, MBC)

4. The U.S.-led UN Command and North Korea will hold another round of General-level military talks tomorrow at the truce village of

## INTERNATIONAL NEWS

1. Stephen Bosworth, the U.S. Special Representative for North Korea Policy, said during a March 4 press conference in Beijing, after meeting with Chinese Foreign Minister Yang Jiechi and Vice Foreign Minister Wu Dawei, that (the U.S.) hopes for a prompt resumption of the Six-Party Talks. (Dong-a, VoiceofPeople)

2. The Congressional Research Service (CRS), in a recent report, said that North Korea produced 20 long-range Taepodong-2 missiles before 2006. (JoongAng)

## MEDIA ANALYSIS

### - NORTH KOREA

Conservative Dong-a Ilbo and VoiceofPeople, a progressive Internet media outlet in the ROK, quoted Stephen Bosworth, the U.S. Special Representative for North Korea Policy, as saying during a March 4 press conference in Beijing after meeting with Chinese Foreign Minister Yang Jiechi and Vice Foreign Minister Wu Dawei that (the U.S.) hopes for a prompt resumption of the Six-Party Talks.

The ROK media gave wide play to President Lee Myung-bak's March 4 interview with The Australian, an Australian newspaper, in which President Lee said that North Korea might enjoy short-term benefits from escalating tension by preparing for a suspected missile launch but that such a provocation would play against the North in the long run. President Lee was further quoted as saying: "I think it is better to have a stabilized North Korean regime at this point in time for inter-Korean dialogue and cooperation."

Right-of-center JoongAng Ilbo and state-run KBS reported on the Congressional Research Service (CRS)'s recent report saying that North Korea produced 20 long-range Taepodong-2 missiles until 2006.

### - KORUS FTA

The ROK media gave wide play to yesterday's tentative agreement between the ruling and opposition parties to vote on the KORUS FTA during a special session of the National Assembly in April. In a related development, new ROK Ambassador to the U.S. Han Duck-soo was quoted by moderate Hankook Ilbo as stressing in a March 4 press conference ahead of his March 9 departure for Washington: "The ROK should first ratify the KORUS FTA, irrespective of U.S. moves." Moderate Hankook Ilbo editorialized: "In a situation where trade protectionism is rampant throughout the world, there is no denying that a prompt ratification of the KORUS FTA will bring various benefits, such as expanded trade, creation of jobs and strengthening of the (ROK-U.S.) alliance. However, chances are slim that the Obama Administration will prioritize the ratification of the KORUS FTA at a time when job protection is the most urgent task at hand for the Administration with the collapse of the U.S. manufacturing industry. Furthermore, given that the Democratic Party, which controls the U.S. Congress, is not supportive of the KORUS FTA, it is unclear whether the Democratic-led Congress will ratify the trade deal this year. In this regard, this agreement by the ruling and opposition parties to deal with the KORUS FTA in April will serve to put pressure on the U.S. Administration."

### - SECRETARY CLINTON'S VISIT TO THE MIDDLE EAST

Most of the ROK media gave attention to Secretary of State Hillary Clinton's March 3 press remarks in Israel, quoting her as saying that she will send two envoys to Syria to improve bilateral ties. Conservative Chosun Ilbo headlined its article: "Syria Transformed from an 'Outpost of Tyranny' to the Core of U.S. Middle East Diplomacy."

## OPINIONS/EDITORIALS

Calls for Additional Negotiations on KORUS FTA Resurfacing

An issue concerning ratification of the Korea-U.S. Free Trade Agreement (KORUS FTA) is resurfacing. This is apparently because the Obama Administration has several times proclaimed the need to take additional measures on the KORUS FTA. Treasury Secretary Timothy Geithner told Congress that President Obama will cooperate closely with Congress for progress on the trade deal. Meanwhile, he stressed that it is important to deliver on the promise to establish a trade pact that advances the interests of the businesses and laborers. The office of the U.S. Trade Representative (USTR) said, "We will set benchmarks for progress on the FTAs signed with the ROK and Colombia."

President Obama hinted at additional negotiations on the free trade agreements after Congress urged the administration to take necessary steps to swiftly deliberate three pending FTAs. The prevailing opinion is that the Obama Administration merely reaffirmed its existing stance that it would set benchmarks after closely reexamining the FTAs signed under the Bush Administration.

It seems that the KORUS FTA has made little headway even though the U.S. administration and Congress expressed interest in it. It would be too rosy a picture to prematurely anticipate early ratification of the FTA from U.S. Congress.

In a situation where trade protectionism is rampant throughout the world, there is no denying that a prompt ratification of the KORUS FTA will bring various benefits, such as expanded trade, creation of jobs and strengthening of the (ROK-U.S.) alliance. However, chances are slim that the Obama Administration will make the ratification of the KORUS FTA a priority at a time when job protection is the most urgent task at hand for the Administration with the collapse of the U.S. manufacturing industry. Furthermore, given that the Democratic Party, which controls the U.S. Congress, is not supportive of the KORUS FTA, it is unclear whether the Democratic-led Congress will ratify the trade deal this year. In this regard, this agreement by the ruling and opposition parties to deal with the KORUS FTA in April will serve to put pressure on the U.S. Administration. The ROKG and politicians should closely watch movements of the Obama Administration and Congress which have been lukewarm about the FTA, while persuading them to ratify it. The ROK should deploy an effective strategy for the sake of its national interest.

## FEATURES

President Says It Is Best If Kim Jong-il Retains Rule  
(JoongAng Ilbo, March 5, 2009, Page 2)

North Korea may enjoy some short-term benefits from escalating tension by preparing for a suspected missile launch, but such a provocative action will play against Pyongyang in the long run, South Korean President Lee Myung-bak said yesterday.

In an interview with the Australian media, Lee said, "North Korea has taken such actions as firing a missile in the past when it deems it appropriate, and I believe it is again trying to take such a strong action because a new U.S. administration has come into office and another round of the six-nation talks could be held in the near future. Such tough action may place North Korea in a better position in negotiations, but in the long run it will not be so rewarding to North Korea in the international community."

Lee also made a rare, direct comment about the North Korean leader Kim Jong-il's health. Kim is believed to be recovering from a stroke he suffered in August.

"It appears from Chairman Kim's recent activities that there are no serious obstacles for him to continue ruling North Korea, and I think it is better to have a stabilized North Korean regime at this point in time for inter-Korean dialogue and cooperation," Lee said.

Regarding the East Asia situation, Lee said, "Since the two Koreas are divided, North Korea may pursue nuclearization, and the East Asia region is increasingly requiring peace and stability." He added, "We should develop the multilateral security cooperation

system in order to achieve arsenal reduction." Lee noted that "to stop North Korea from going nuclear and maintain peace and security in East Asia, some people are asserting the need to develop the Six-Party Talks into a permanent peace system." He went on to say, "I agree with this idea and think it will happen."

Lee arrived in Sydney yesterday and a summit with Australian Prime Minister Kevin Rudd is scheduled for today in Canberra.

\* We have compared the English version on the website with the Korean version and made some changes to make them identical.

"The ROK Should First Ratify the KORUS FTA"  
(Hankook Ilbo, March 5, 2009, Page 6)

New ROK Ambassador to the U.S. Han Duck-soo said Wednesday that the ROK should take action on the Korea-U.S. Free Trade Agreement (KORUS FTA) no matter what else develops outside Korea. He noted that the ROK should take all necessary measures according to its own (internal) plans. This means that the ROK should first ratify the KORUS FTA, regardless of whether the U.S. takes action (on the agreement.)

At a press conference before his departure for Washington in March 9, Ambassador Han said that he would make an effort to elicit more understanding and approval of the KORUS FTA from the U.S. public.

Han stressed that in the post-cold war era, the ROK and the U.S. showed economic cooperation by clinching the KORUS FTA. He added that in terms of the ROK-U.S. alliance, this could help U.S. 'engagement' expand to economic issues.

He singled out his tasks as Ambassador to the U.S. The missions include strengthening strategic alliance between the ROK and the U.S., expanding bilateral economic relations, and elevating bilateral social and cultural ties to a new level.

Ambassador Han said that he would see that the two countries establish thorough coordination regarding the North Korean nuclear issue. He also noted that the ROK and the U.S. should make concerted efforts to spurn trade protectionism and enhance soundness of the financial market.

Han has served as Minister of Trade, Senior Secretary for Economic Affairs, Minister of the Office of Government Policy Coordination, Deputy Prime Minister and Finance Minister, and Prime Minister. In January, he was appointed Ambassador to the U.S. He is the second former Prime Minister to serve as Ambassador to the U.S.

Stephens